

Malika Abdul-Basir - Lake Effect Cinema and SB 569

From: "Bob Wilson" <sylynx@comcast.net>
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Date: 11/11/2011 4:53 PM
Subject: Lake Effect Cinema and SB 569
Attachments: LFX Business Plan.12.1M.TIF; ADDENDUM.2 Tax Profit to State LFX.doc; Reviews.4.doc

Dear Congressman:

In the ongoing consideration of SB 569, I want to draw your attention to our Michigan film production company that will be headquartered at the Raleigh Studio office complex in Pontiac.

Lake Effect Cinema (LFX) has a number of film properties, the first of which is based on the New York Times bestseller, "Crooked Tree", which the Detroit Free Press in its review called, "Flat out terrific." It's a suspense story set in Michigan's prime vacation land, with scenes to be shot along the Sleeping Bear sand dunes, Charlevoix, Harbor Springs, Mackinac Bridge, Hartwick Pines, Au Sable River, and a Great Lakes lighthouse. In short, it will be a veritable *Pure Michigan* ad campaign for a worldwide audience. (Please see pages 8-10 of the attached Business Plan for a brief description of our film properties.)

Crooked Tree's budget of \$17 million was fully committed earlier this year, with \$5M dependent upon a pre-funding of the state tax credit. Unfortunately, shortly after our application was submitted, the rules changed. We've re-gearred for shooting the film next summer, reducing the budget to reflect the realities of the current incentive situation.

LFX is a Michigan company that will make movies of stories set in Michigan, with the profits coming back to Michigan. Whether the payback to the state treasury is 28% or significantly higher because of a multiplier effect, in our case, there will be a second level of direct payback to the state treasury from those future profits. (Please see the attached Addendum to the Business Plan for a fuller discussion of this issue, showing how the state treasury stands to profit significantly from a successful Crooked Tree release.)

LFX will be a long-term job generator for Michigan, a necessary counter-part to the kind of permanent infrastructure that Raleigh represents.

Time is of the essence for us to get started with pre-production in January for a summer shoot. It is crucial that the Michigan Film Office receives the direction it needs to begin processing incentive applications at the earliest possible time. If there is anything we can do to help facilitate passage of SB 569, and more broadly, expansion of the current \$25M cap, please don't hesitate to enlist our support.

Sincerely,
Bob Wilson

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